

University of California, Hastings College of the Law UC Hastings Scholarship Repository

Propositions

California Ballot Propositions and Initiatives

1952

PUBLIC SCHOOL FUNDS

Follow this and additional works at: http://repository.uchastings.edu/ca_ballot_props

Recommended Citation

PUBLIC SCHOOL FUNDS California Proposition 2 (1952).
http://repository.uchastings.edu/ca_ballot_props/521

This Proposition is brought to you for free and open access by the California Ballot Propositions and Initiatives at UC Hastings Scholarship Repository. It has been accepted for inclusion in Propositions by an authorized administrator of UC Hastings Scholarship Repository. For more information, please contact marcusc@uchastings.edu.

PUBLIC SCHOOL FUNDS. Initiative Constitutional Amendment.

2

Amends Article IX, Section 6, of the State Constitution. Increases required State support for public schools to One Hundred Eighty Dollars per year for each pupil in average daily attendance, of which each local school district shall receive not less than One Hundred Twenty Dollars per pupil. To become operative July 1, 1953.

YES

NO

(For Full Text of Measure, See Page 1, Part II)

Analysis by the Legislative Counsel

This constitutional amendment would make two changes in the amounts required to be provided by the State for the support of the Public School System.

It would require the Legislature to increase the total amount in the State School Fund for apportionment from \$120 to \$180 per pupil in average daily attendance in the schools of the system during the preceding fiscal year.

It would increase the minimum amount required to be apportioned to each school district from \$90 to \$120 per pupil in average daily attendance in the district during the preceding fiscal year.

The existing constitutional provisions would remain operative until June 30, 1953, the end of the present fiscal year.

Argument in Favor of Initiative Proposition No. 2

For the sake of our school children—and homeowners too—vote "YES" on Proposition 2.

This election year finds Americans sharply divided on many issues.

But one issue on which good Americans never have been divided is the need to provide good educational opportunity for all children.

No State has met its obligations to youth more conscientiously than California. In the years since the War, as population soared and as inflation pushed school operating costs higher and higher, school districts all over California repeatedly have been forced to go to the local taxpayers for greater support.

In the past two years, more than 500 school districts have asked homeowners to vote to raise their taxes so that school budgets could be met.

The twin pressures of inflation and increased population have created a major crisis for California's school children, which only can be resolved by one of the following steps:

(1) Continuing to increase taxes—already unfairly high—on homeowners and local property taxpayers.

(2) Cutting back school services, increasing classroom sizes, accepting unqualified teachers, closing schools in some areas—an unthinkable "solution."

(3) Increasing school revenues from the broader State tax base to realistic levels, thus relieving the pressure on homeowners. This is the sound solution afforded by Proposition 2.

There are two school revenue sources. One is the local property tax. The other source is from State tax collections, including sales, income, bank and corporation taxes.

In former years, the State paid about 55 per cent of school operation costs; local taxpayers 45 per cent. Today the reverse is true; local taxpayers meet nearly 60 per cent! *Proposition 2 would re-establish the former less burdensome ratio; and based on the experience of the past few years, there is reason to believe that the increased State support can be financed immediately from existing State revenues.*

There is nothing experimental about Proposition 2; it changes just two figures in the Constitution. It sets State school support at \$180 a year per pupil (about one dollar per school day per child), and guarantees

that of that amount, no school district shall receive less than \$120 per pupil.

There is every reason why the amount of school support guaranteed by the State should stay in the Constitution, where it has been for 50 years. Should depression strike, and property taxes be cut to the bone, only the constitutional guarantee can be relied on to keep our schools open.

Proposition 2 has the support of parents, homeowners, educators, veterans, business, church and labor groups. Non-partisan and non-political, it has gained such widespread support because it's a sound and realistic solution to an existing need.

The problems cannot be sidestepped; school costs, like all household and business costs, have increased. Teachers' salaries, though less rapidly than other wages, have increased. Without the solution afforded by Proposition 2, local property taxes would of necessity have to continue their current upward march.

PROTECT YOUR HOME AND CHILDREN TOO!
VOTE "YES" ON PROPOSITION TWO!

MRS. P. D. BEVIL

President, California Congress of Parents and Teachers

ASSEMBLYMAN FRANCIS DUNN, JR.
Chairman, Assembly Committee on Education, California State Legislature

ARTHUR COREY

Executive Secretary, California Teachers Association

Argument Against Initiative Proposition No. 2

Opposition to Proposition No. 2 is not opposition to good schools, good salaries for teachers, or adequate school financing. A NO vote merely continues the present system until constructive changes can be developed.

Proposition No. 2 would freeze into the State Constitution a dangerously high state appropriation for schools. It could put a stop to the good work the Legislature has been doing to take care of the school problem.

Since 1946, the Legislature has adopted over 15 important new laws which materially improve California schools. This year alone these improvements will cost state over \$77,000,000 in excess of any constitutional requirement. The Legislature has also appropriated to offset inflationary trends. The Legislature has been generous and prompt in meeting the problems as they arise.

These remedial measures are now in effect. The Legislature by its acts has shown a determination to meet the school problem. No constitutional amendment is needed for further legislative action along the same line.

Unless Proposition No. 2 is defeated, the State will be committed by constitutional mandate to a program which will require additional state taxes to support it. This is folly when the problem can be met less expensively and more adequately as has been demonstrated in recent years by annual review of the problem by the Legislature.

Freezing the same amount of increase in state support in the Constitution for every kind of school—elementary, high school, and junior college—regardless

of need, is a wasteful way of aiding elementary schools, where the financial problem is presently greatest.

The amendment cannot be expected to reduce property taxes, except in isolated cases, since the increase will be spent primarily to raise teachers' salaries. Teachers' salaries in California are already the highest in the Nation, according to the Federal Security Agency.

If the schools need more state support, it is imperative that the Legislature be free to secure the best possible school program for the money.

Already over 40 percent of the State General Fund budget is frozen for constitutionally fixed cost. School apportionment takes practically all of this. Proposition No. 2, by adding to these fixed costs, would reduce still further the Legislature's ability to enact an economical and effective budget. It would also increase the incentive of other groups to assure themselves of a fixed state appropriation by writing their demands into the Constitution.

It is bad practice to write into the Constitution the amount of money any government activity should have.

Californians are famous for their devotion to good schools. But in Proposition No. 2 enthusiasts have gone too far; they have proposed a very bad method for accomplishing their purposes. It is bound to backfire and cause untold damage to good budgeting, good financing, and the security of the schools themselves.

Don't tie the hands of the Legislature. Trust your elected representatives to carry out the wishes of the public for a good and sound school system.

Vote NO on Proposition No. 2.

VON T. ELLSWORTH, Ph.D.
Director, Research Department,
California Farm Bureau Federation

A. C. HARDISON, LL.D.
President, California Taxpayers Association

TAXATION: WELFARE EXEMPTION OF NONPROFIT SCHOOL

PROPERTY. Act of Legislature submitted to electors by referendum. Act amends Section 214, Revenue and Taxation Code. Extends property tax exemption, known as welfare exemption, to property used exclusively for schools of less than collegiate grade owned and operated by nonprofit religious, hospital or charitable organizations.

YES

NO

(For Full Text of Measure, See Page 2, Part II)

Analysis by the Legislative Counsel

This referendum measure submits Chapter 242 of the Statutes of 1951 to a vote by which the electors may express their approval or disapproval of that legislation. If approved, Chapter 242 would broaden the exemption from property taxation provided by Section 214 of the Revenue and Taxation Code (the "welfare exemption") by exempting property of private schools of less than collegiate grade. The property of private, nonprofit educational institutions of collegiate grade is under certain conditions now exempt from taxation under other provisions of law.

The welfare exemption was authorized by a constitutional amendment adopted in 1944 (Art. XIII, Sec. 1c). Pursuant to this authorization the Legislature has by Section 214 of the Revenue and Taxation Code exempted property used exclusively for religious, hospital, scientific or charitable purposes owned and operated by community chests, funds, foundations or corporations organized and operated for religious, hospital, scientific, or charitable purposes, if the property and the owner thereof meet the conditions imposed by the Legislature designed to assure compliance with the constitutional amendment.

As a result, if this measure is approved, and if property of an educational institution of less than collegiate grade qualifies under the conditions prescribed by the existing exemption, that property will be exempt under the same conditions that other property used exclusively for religious, hospital, scientific or charitable purposes is now exempt.

Argument in Favor of Referendum Measure No. 3

Your "YES" vote on PROPOSITION 3 will sustain the action of the State Legislature which in 1951 voted almost unanimously (108 to 3) to give non-profit schools tax equality as a matter of justice, and as an aid in solving the alarming shortage of schools in California.

Principally affected are two kinds of schools . . . (1) elementary and high schools maintained by more than a dozen religious denominations; and (2) the many schools for the blind, deaf-mutes, crippled, pal-

sied and mentally retarded maintained by charitable foundations.

California is the only state in the Union which taxes schools of this character. The principle of giving these schools tax equality with public schools has been recognized in 47 of the 48 states because non-tax-supported schools perform a valuable public service, which otherwise would become a further burden on the taxpayer; also because "Penalty taxation" of church-financed schools is a violation of our traditional separation of church and state.

This principle of tax equality has long been established. In 1914 California granted tax exemption to non-profit colleges and universities. Stanford, University of San Francisco, University of Southern California, College of the Pacific and Pomona, for example, were thus given tax equality with the State Universities.

Non-profit schools educated 182,483 children in California last year, and have helped relieve the badly over-crowded public school system which has been forced to place thousands of our children on half-day sessions. These non-profit schools have saved the taxpayers an estimated \$350,000,000 on the cost of providing class rooms, and save the taxpayers an additional \$41,000,000 annually in operating expenses.

To sustain the State Legislature means that approximately \$700,000 in taxes must be absorbed. This is insignificant (less than a candy bar per person) contrasted with the \$41,000,000 saved to the taxpayers each and every year by these schools. Hence you can see why it is not only just, but also good business, to grant all non-profit schools tax equality.

A "YES" vote on PROPOSITION 3 will continue these savings to the taxpayers, but at the same time will give no taxpayer a "free ride." Parents of children in the non-profit, non-tax-supported schools will continue to pay taxes for public schools, as well as to maintain solely at their own expense the schools operated by religious and charitable groups.

The subject of extending tax equality to non-profit elementary and high schools was before the State Legislature for more than six weeks. After open hearings

Part II—Appendix

VETERANS FARM AND HOME BONDS. Assembly Constitutional Amendment No. 40. Adds Section 16 to Article XVI of Constitution. Authorizes issue and sale of one hundred fifty million dollars (\$150,000,000) in state bonds to provide funds to be used by State Department of Veterans Affairs in accordance with Veterans Farm and Home Purchase Act of 1943 in assisting California war veterans to acquire farms and homes. Brings into operation and validates Veterans Bond Act of 1951, governing issue, sale and redemption of such bonds.

YES

NO

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 16. The issuance and sale of bonds of the State of California, not exceeding in the aggregate the sum of one hundred fifty million dollars (\$150,000,000), and the use and disposition of the proceeds of the sale of said bonds, all as provided in the Veterans Bond Act of 1951 (Article 5C added to Chapter 6 of Division 4 of the Military and Veterans Code by Chapter 1086 of the Statutes of 1951) authorizing the issuance and sale of state bonds in the sum of one

hundred fifty million dollars (\$150,000,000) for the purpose of providing a fund to be used and disbursed to provide farm and home aid for veterans in accordance with the provisions of the Veterans Farm and Home Purchase Act of 1943, and of all acts amendatory thereof and supplemental thereto are hereby authorized and directed and said Veterans Bond Act of 1951 is hereby approved, adopted, legalized, ratified, validated, and made fully and completely effective upon the effective date of this amendment to the Constitution. All provisions of this section shall be self-executing and shall not require any legislative action in furtherance thereof, but this shall not prevent such legislative action. Nothing in this Constitution contained shall be a limitation upon the provisions of this section.

PUBLIC SCHOOL FUNDS. Initiative Constitutional Amendment. Amends Article IX, Section 6, of the State Constitution. Increases required State support for public schools to One Hundred Eighty Dollars per year for each pupil in average daily attendance, of which each local school district shall receive not less than One Hundred Twenty Dollars per pupil. To become operative July 1, 1953.

YES

NO

(This proposed amendment expressly amends an existing section of the Constitution, therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKE-OUT TYPE**, and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Section 6. Each person, other than a substitute employee, employed by a school district as a teacher or in any other position requiring certification qualifications shall be paid a salary which shall be at the rate of an annual salary of not less than twenty-four hundred dollars (\$2400) for a person serving full time, as defined by law.

The Public School System shall include all kindergarten schools, elementary schools, secondary schools, technical schools, and State colleges, established in accordance with law and, in addition, the school districts and the other agencies authorized to maintain them. No school or college or any other part of the Public School System shall be, directly or indirectly, transferred from the Public School System

or placed under the jurisdiction of any authority other than one included within the Public School System.

The Legislature shall add to the State School Fund such other means from the revenues of the State as shall provide in said fund for apportionment in each fiscal year, an amount not less than ~~one hundred and twenty dollars (\$120)~~ **one hundred and eighty dollars (\$180)** per pupil in average daily attendance in the kindergarten schools, elementary schools, secondary schools, and technical schools in the Public School System during the next preceding fiscal year.

The entire State School Fund shall be apportioned in each fiscal year in such manner as the Legislature may provide, through the school districts and other agencies maintaining such schools, for the support of, and aid to, kindergarten schools, elementary schools, secondary schools, and technical schools except that there shall be apportioned to each school district in each fiscal year not less than ~~ninety dollars (\$90)~~ **one hundred and twenty dollars (\$120)** per pupil in average daily attendance in the district during the next preceding fiscal year and except that

the amount apportioned to each school district in each fiscal year shall be not less than twenty-four hundred dollars (\$2400).

Solely with respect to any retirement system provided for in the charter of any county or city and county pursuant to the provisions of which the contributions of, and benefits to, certificated employees of a school district who are members of such system are based upon the proportion of the salaries of such certificated employees contributed by said county or city and county, all amounts apportioned to said county or city and county, or to school districts therein, pursuant to the provisions of this section shall be considered as though derived from county or city and county school taxes for the support of county and city and county government and not

money provided by the State within the meaning of this section.

The Legislature shall provide for the levying annually by the governing body of each county, and city and county, of such school district taxes, at rates not in excess of the maximum rates of school district tax fixed or authorized by the Legislature, as will produce in each fiscal year such revenue for each school district as the governing board thereof shall determine is required in such fiscal year for the support of all schools and functions of said district authorized or required by law.

The provisions of this section as they read on April 1, 1946 1952, shall remain operative to and including June 30, 1947 1953, and no longer, notwithstanding any provision of this Constitution to the contrary.

TAXATION: WELFARE EXEMPTION OF NONPROFIT SCHOOL PROPERTY. Act of Legislature submitted to electors by referendum. Act amends Section 214, Revenue and Taxation Code. Extends property tax exemption, known as welfare exemption, to property used exclusively for schools of less than collegiate grade owned and operated by nonprofit religious, hospital or charitable organizations.

YES

NO

(This proposed law expressly amends an existing section of the Revenue and Taxation Code, therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKE-OUT TYPE**, and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED LAW

An act to amend Section 214 of the Revenue and Taxation Code, relating to the welfare exemption.

The people of the State of California do enact as follows:

Section 1. Section 214 of the Revenue and Taxation Code is amended to read:

214. Property used exclusively for religious, hospital, scientific, or charitable purposes owned and operated by community chests, funds, foundations or corporations organized and operated for religious, hospital, scientific, or charitable purposes is exempt from taxation if:

(1) The owner is not organized or operated for profit;

(2) No part of the net earnings of the owner inures to the benefit of any private shareholder or individual;

(3) The property is not used or operated by the owner or by any other person for profit regardless of the purposes to which the profit is devoted;

(4) The property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations or the more advantageous pursuit of their business or profession;

(5) The property is not used by the owner or members thereof for fraternal or lodge purposes, or for social club purposes except where such use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose;

(6) The property is irrevocably dedicated to religious, charitable, scientific, or hospital purposes and upon the liquidation, dissolution or abandonment of the owner will not inure to the benefit of any private person except a fund, foundation or corporation organized and operated for religious, hospital, scientific, or charitable purposes;

(7) The property, if used exclusively for scientific purposes, is used by a foundation or institution which, in addition to complying with the foregoing requirements for the exemption of charitable organizations in general, has been chartered by the Congress of the United States, and whose objects are the encouragement or conduct of scientific investigation, research and discovery for the benefit of the community at large.

The exemption provided for herein shall be known as the "welfare exemption." This exemption shall be in addition to any other exemption now provided by law. This section shall not be construed to enlarge the college exemption or to extend an exemption to property held by or used as an educational institution of less than collegiate grade. Property used exclusively for school purposes of less than collegiate grade and owned and operated by religious, hospital or charitable funds, foundations or corporations, which property and funds, foundations or corporations meet all of the requirements of this section, shall be deemed to be within the exemption provided for in Section 1c of Article XIII of the Constitution of the State of California and this section.